

## Message Text

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ORIGIN AF-06

INFO OCT-01 ISO-00 FEA-01 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 /078 R

DRAFTED BY AF/E:RBRESLER:SM X23355

APPROVED BY AF/E:WBCOOTE

L/AF:CSCHMITZ

EB/IFD/OIA:TBRODERICK

----- 096992

R 301620Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY TANANARIVE

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E.O. 11652: N/A

TAGS: EINV, MA

SUBJECT: MALAGASY GOVERNMENT CHARGES AGAINST OIL MARKETING  
COMPANIES

REF: (A) TANANARIVE 110; (B) TANANARIVE 125

1. PARA 8 REF (B), OTHER REPORTS FROM EMBASSY AND RECENT  
CONVERSATIONS BETWEEN DEPARTMENT AND CALTEX OFFICIALS  
INDICATE THAT CALTEX WAS AWARE OF FOREIGN EXCHANGE LAW AND  
UNDERSTOOD ITS MEANING. ALTHOUGH CALTEX MAY REASONABLY  
HAVE PREFERRED NOT TO REMIT FOREIGN EXCHANGE EARNINGS FROM  
EXPORTS WHEN DEBT OWED BY MADAGASCAR WAS LARGER THAN  
DEBT OWED TO MADAGASCAR, IT WOULD APPEAR TO HAVE BEEN  
WITHIN GOMR'S RIGHTS TO REQUIRE PROMPT REPATRIATION OF ALL  
FOREIGN EXCHANGE EARNINGS. EVEN THOUGH PROSPECTIVE FINES  
APPEAR TO BE VERY LARGE IN RELATION TO OFFENSE IT WOULD  
NOT APPEAR THAT IN LEVYING FINES GOMR WOULD BE NATIONALIZ-  
ING OR EXPROPRIATING OIL COMPANIES'PROPERTY WITHOUT  
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COMPENSATION. THUS DEPARTMENT WOULD PREFER THAT EMBASSY

NOT RAISE POSSIBILITY OF POTENTIAL HICKENLOOPER OR  
GENERALIZED TRADE PREFERENCE PROBLEMS IN DISCUSSIONS WITH  
GOMR OFFICIALS ON FOREIGN EXCHANGE LAW VIOLATIONS.

2. NOTWITHSTANDING THE ABOVE, SINCE SIZE OF POTENTIAL  
FINE APPEARS TO BE OUT OF PROPORTION TO SERIOUSNESS OF  
OFFENSE, AND LEVYING OF HUGE FINES ON OIL COMPANIES WOULD

DISCOURAGE FOREIGN INVESTMENT, DEPARTMENT BELIEVES  
EMBASSY SHOULD CONTINUE TO URGE RESTRAINT BY GOMR ON THIS  
MATTER.

3. DEPARTMENT APPRECIATES EMBASSY'S DETAILED REPORTS  
ON THIS ISSUE. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, FOREIGN EXCHANGE CONTROLS, TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE021653  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RBRESLER:SM X23355  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750035-0745  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t1975016/aaaaaevg.tel  
**Line Count:** 75  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 TANANARIVE 110, 75 TANANARIVE 125  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 AUG 2003 by CunninFX>; APPROVED <12 DEC 2003 by ElyME>  
**Review Markings:**

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US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MALAGASY GOVERNMENT CHARGES AGAINST OIL MARKETING COMPANIES  
**TAGS:** EINV, ENRG, MA, US, CALTEX  
**To:** TANANARIVE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006